

Tab A-4



August 30, 2001

Paul R. Berry
Vice President
Assistant General Counsel
and Assistant Secretary

RECEIVED
SEP 14 2001
HEALTH POLICY & SERVICES

Ms. Christine Saxonis
Civil Recoveries Branch
Compliance Unit Certification
Office of Counsel to the Inspector General
Specification Procedure
U.S. Department of Health & Human Services
Cohen Building, Room 5527
330 Independence Ave., S.W.
Washington, D.C. 20201

Mr. Joseph Palermo
First DataBank Inc.
1111 Bayhill Drive
San Bruno, CA 94066

Re: **Revised** Report of Average Sale Price – 2nd Quarter

Dear Ms. Saxonis and Mr. Palermo:

Enclosed please find a revised report of Bayer Corporation's Average Sales Price (ASP) which has been reported to you in accordance with the Corporate Integrity Agreement (CIA) of January 23, 2001 between Bayer Corporation and the Office of Inspector General of the U.S. Department of Health and Human Services.

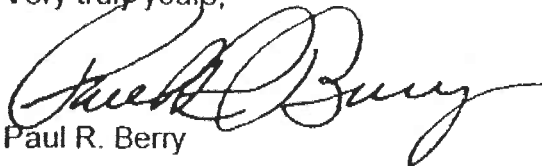
This revision includes charge-backs that occurred between July 1 and July 15 which were not available at the time of the submission of the original report due to the switchover to SAP software by Bayer Corporation.

As with our regular reports, I have also included a certification by a high managerial agent of Bayer that the calculations were made in accordance with the procedures that have previously been submitted to you.

MT 076444

Please contact Mr. Kevin Kuehm (203-812-2647) or myself if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul R. Berry". The signature is fluid and cursive, with the first name "Paul" and last name "Berry" clearly distinguishable.

Paul R. Berry

ep
Enclosures

cc: Attached List

MT 076445

Division: Pharmaceutical
Report: Average Selling Price

Bayer Pharmaceuticals - Quarter 2001/02
Average Sales Price Quarterly Report

1 of 2

NDC	Product Code	Product Name	Average Sales Price
00026-2521-06	252110	PRAZIQUANTEL	9.711369
00026-2613-01	261320	DOME-PASTE BANDAGE 3"	12.243365
00026-2614-01	261440	DOME-PASTE BANDAGE 4"	13.445070
00026-2855-48	285530	NIMODIPINE	5.550694
00026-2855-70	285540	NIMODIPINE CAPS UNIT DOSE PKG/30	5.852133
00026-2861-51	286110	ACARBOSE TABLET 50MG BOTTLE OF 100	0.439192
00026-2861-48	286120	ACARBOSE TABLET 50MG UD BOTTLE OF 100	0.448962
00026-2862-51	286210	ACARBOSE TABLET 100MG BOTTLE OF 100	0.552475
00026-2863-51	286310	PRECOSE 25MG	0.433773
00026-2883-51	288310	BAYCOL .2MG TABLETS	1.207532
00026-2883-86	288350	BAYCOL .2MG BTL. 90	1.133151
00026-2884-51	288410	BAYCOL .3MG TABLETS	1.470879
00026-2884-86	288450	BAYCOL .3MG BTL. 90	1.137914
00026-2885-51	288510	BAYCOL .4MG BTL. 100	1.351661
00026-2885-69	288540	BAYCOL .4MG BTL. 30	1.160876
00026-2885-86	288550	BAYCOL .4MG BTL. 90	1.152853
00026-2885-*9	288599	BAYCOL .4MG DRUM	0.593236
00026-2886-69	288640	BAYCOL .8MG BTL. 30	1.731919
00026-2886-86	288650	BAYCOL .8MG BTL. 90	1.656794
00026-3091-61	309110	CLOTRIMAZOLE CREAM 1%-15GM	0.524791
00026-3091-59	309126	CLOTRIMAZOLE CREAM 1%-30GM	0.527601
00026-3091-67	309186	CLOTRIMAZOLE CREAM 90G(2X45G) TUBES	0.272386
00026-8151-20	815140	DACARBAZINE 200MG 20ML VIAL	0.108105
00026-8161-15	816130	MITHRACIN 2500	0.045324
00026-8196-36	819520	APROTININ INJECTION	1.756227
00026-8197-63	819530	APROTININ INJECTION	1.772422
00026-8511-06	851140	CIPRO CYCTITIS PACK	2.264977
00026-8512-51	851210	CIPROFLOXACIN HCL 250MG BOTTLE/100	3.091273
00026-8512-48	851220	CIPROFLOXACIN HCL 250MG 100'S UD	2.985979
00026-8513-51	851310	CIPROFLOXACIN HCL 500MG BOTTLE/100	3.064391
00026-8513-48	851320	CIPROFLOXACIN HCL 500MG 100'S UD	3.242213
00026-8514-48	851420	CIPROFLOXACIN HCL 750MG 100'S UD	3.429394

MT 076442

Run Date & Time 8/29/2001 3:20:07PM

Division: Pharmaceutical
Report: Average Selling Price

Bayer Pharmaceuticals - Quarter 2001/02
Average Sales Price Quarterly Report

2 of 2

NDC	Product Code	Product Name	Average Sales Price
00026-8514-50	851430	CIPROFLOXACIN HCL 750MG BOTTLE/50	3.626352
00026-8562-20	851620	CIPROFLOXACIN IV 200MG VIALS	0.438203
00026-8564-64	851640	CIPROFLOXACIN IV 400MG VIALS	0.470136
00026-8566-65	851660	CIPRO IV PHARMACY BULK PKGS	0.335826
00026-8552-36	852520	CIPROFLOXACIN IV 200MG BAG	0.090560
00026-8554-63	852540	CIPROFLOXACIN IV 400MG BAG	0.087004
00026-8527-36	852720	CIPRO IV 200MG BAGS (BAXTER)	0.091473
00026-8527-63	852740	CIPRO IV 400MG BAGS (BAXTER)	0.087867
00026-8551-36	855110	CIPRO 5% ORAL SUSPENSION	0.563428
00026-8553-36	855310	CIPRO 10% ORAL SUSPENSION	0.703776
00026-8581-69	858140	AVELOX 400MG BTL 30	6.423326
00026-8581-41	858170	AVELOX 400MG ABC PK 5'S	6.421171
00026-8811-51	881110	NIFEDIPINE CAPSULES 10MG BOTTLE/100	0.388449
00026-8841-51	884120	NIFEDIPINE EXT RLSE TAB 30MG BOTTLE/100	0.808587
00026-8841-48	884130	NIFEDIPINE EXT RLSE TAB 30MG UNIT DS/100	2.426860
00026-8841-54	884150	NIFEDIPINE 30MG BULK PKG/1000 DS/100	0.887624
00026-8841-72	884160	NIFEDIPINE 30MG BULK PKG/5000 DS/100	0.818870
00026-8851-51	885120	NIFEDIPINE EXT RLSE TAB 60MG BOTTLE/100	1.309325
00026-8851-48	885130	NIFEDIPINE EXT RLSE TAB 60MG UNIT DS/100	1.601643
00026-8851-54	885150	NIFEDIPINE 60MG BULK PKG/1000 DS/100	1.350309
00026-8851-72	885160	NIFEDIPINE 60MG BULK PKG/5000 DS/100	1.637234
00026-8861-51	886120	NIFEDIPINE EXT RLSE TAB 90MG BOTTLE/100	1.607548
00026-8861-48	886130	NIFEDIPINE EXT RLSE TAB 90MG UNIT DS/100	1.818312
00026-9711-01	971110	VIADUR KIT WITH IMPLANT	2,943.857143

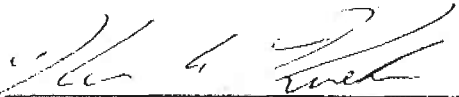
MT 076443

CERTIFICATION

The undersigned, a high managerial agent of Bayer Corporation Pharmaceutical Division, hereby certifies that the attached Average Sale Price information has been communicated to First DataBank and to the State Medicaid programs indicated below and that it has been calculated in accordance with the methodology described herein. I further acknowledge that the Average Sale Prices so reported will be filed with and used in the administration of the State Medicaid programs identified below.

State Medicaid Programs:

None



Kevin A. Kuehm
Vice President
Strategic Planning
Division Controlling
Bayer Corporation
Pharmaceutical Division

MT 076446

8 - 30 - 2001
Date

MT 076447

Pharmacy Director
Alabama Medicaid Agency
501 Dexter Avenue
Montgomery, Alabama 36104

Pharmacy Director
Division of Medical Assistance
4501 Business Park Blvd.
Suite 24
Anchorage, Alaska 99503

Pharmacy Director
DOHS, Div. Of Med. Services
P.O. Box 1437
Slot 4105
Little Rock, Arkansas 72203-4105

Roberto Martinez, Chief
Medical Policy Division
714 P Street
Room 1216
Sacramento, California 95814

Pharmacy Director
Colorado Healthcare Policy & Financing
1575 Sherman Street
5th Floor
Denver, Colorado 80203

James Wietrak
Director of Quality Assurance
Connecticut Department of Social Serv.
25 Sigourney Street
Hartford, CT 06106

Pharmacy Director
EDS
248 Chapman Rd.
Suite 200, Bristol Building
Newark, Delaware 19702

Pharmacy Director
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 38
Mail Stop 38
Tallahassee, Florida 32308

Pharmacy Director
Department of Medical Assistance
2 Peachtree Street
37th Floor
Atlanta, Georgia 30338

Pharmacy Director
Department of Human Services
P.O. Box 339
Honolulu, Hawaii 96809-0339

Pharmacy Director
Department of Public Aid
Pharmacy & Ancillary Service
1812 Cog Mill Court
Springfield, Illinois 62704

Pharmacy Director
Indiana State Government Center
402 W. Washington St.
Room W-382
Indianapolis, Indiana 46204

Pharmacy Director
Department of Human Services
Hoover State Office Building
Division of Medical Services
Des Moines, Iowa 50319

Pharmacy Director
Division of Medical Services
915 Harrison Street
Docking Building, Rm 628
Topeka, Kansas 66612-1570

Pharmacy Director
Department of Medicaid Services
275 East Main Street
Frankfort, Kentucky 40621

Pharmacy Director
Bureau of Health Services Financing
6080 Esplanade Avenue
Baton Rouge, Louisiana 70806

Pharmacy Director
MAINE Bureau of Medical Services
11 State House Station
Augusta, Maine 04333

Deputy Director
Program Operation
SS-18
201 W. Preston Street
Baltimore, Maryland 21201

Pharmacy Director
Division of Medical Assistance
600 Washington Street
5th Floor
Boston, Massachusetts 02111

Pharmacy Director
Medical Service Administration
400 South Pine Street
Lansing, Michigan 48909

Pharmacy Director
Department of Human Services
444 Lafayette Rd. N.
St. Paul, Minnesota 55155

Pharmacy Director
Medicaid Division
239 North Lamar
Suite 801
Jackson, Mississippi 39211

Pharmacy Director
Division of Medical Services
3411 B Knipp
Jefferson City, Missouri 65109

Pharmacy Director
Medicaid Services Bureau
Dept. of Public Health
P.O. Box 202951, 1400 Broadway
Helena, Montana 59620

Pharmacy Director
Nevada Medicaid Office
Capital Complex
2527 N. Carson Street
Carson City, Nevada 89710

Pharmacy Director
Medicaid Administration Bureau
6 Hazen Drive
Concord, New Hampshire 03301

Pharmacy Director
Div. Medical & Assistance Health Serv.
P.O. Box 712
Trenton, New Jersey 08625-0712

Pharmacy Director
Med. Assistance Div. Drug Program
P.O. Box 2348
Sante Fe, New Mexico 87504-2348

Pharmacy Director
Pharmacy Policy & Operations
40 Marlboro Road
Delmar, New York 12054

Pharmacy Director
DOHR, Div. Of Medical Assistance
1985 Umstead Drive
Raleigh, North Carolina 27603

Pharmacy Director
Pharmacy Services Unit
30 East Broad Street
31st Floor
Columbus, Ohio 43266-0423

Pharmacy Director
Oklahoma Health Care Authority
4545 N. Lincoln Boulevard
Suite 124
Oklahoma City, Oklahoma 73105

Pharmacy Director
OMAR-PPU
HRB
500 Summer St. NE
Salem, Oregon 97310

Pharmacy Director
Pharmacy Services Section
P.O. Box 8046
Harrisburg, Pennsylvania 17105

Pharmacy Director
Department of Human Services
600 New London Avenue
Cranston, Rhode Island 02920

Pharmacy Director
Department of Health & Human
Services
1801 Main Street, Suite 1226
Columbia, South Carolina 29201

Pharmacy Director
Department of Social Services
700 Governor's Drive
Pierre, South Dakota 57501-2291

Pharmacy Director
Texas Department of Health
Bureau of Vendor Drugs
Mail Code Y915, 1100 W. 49th St.
Austin, Texas 78756-3174

Pharmacy Director
3797 E. Parkview Drive
Salt Lake City, Utah 84124

Pharmacy Director
Vermont Medicaid Division
103 South Main Street
Waterbury, Vermont 05676

Pharmacy Director
Department of Medical Assistance
600 East Broad Street
Suite 1300
Richmond, Virginia 23219

Pharmacy Director
Medical Assistance Administration
805 Plum Street
Olympia, Washington 98504-5506

Pharmacy Director
DOH & Hr, Bureau for Medical Services
350 Capitol Street
Room 251
Charleston, West Virginia 25301

Pharmacy Director
Division of Health Care Financing
P.O. Box 309
Madison, Wisconsin 53701-0309

Pharmacy Director
Division of Health Care Financing
2300 Capital Avenue
154 Hathaway Building
Cheyenne, Wyoming 82002

MT 076448



April 29, 2002

Paul R. Berry
Vice President
Assistant General Counsel
and Assistant Secretary

Nicole C. Hall, Esq.
Senior Counsel
Office of Counsel to the Inspector General
Specification Procedure
U.S. Department of Health & Human Services
Cohen Building, Room 5527
330 Independence Ave., S.W.
Washington, D.C. 20201

Mr. Joseph Palermo
First DataBank Inc.
111 Bayhill Drive
San Bruno, CA 94066

RECEIVED

MAY 03 2002

HEALTH POLICY & SERVICES

Re: Report of Average Sale Price – 1st Quarter 2002

In conformance with: (a) the terms of the Corporate Integrity Agreement (the "CIA") entered into January 23, 2001 between Bayer Corporation ("Bayer") and the Office of the Inspector General of the United States Department of Health and Human Services ("OIG"); and (b) the State Settlement Agreement entered into August 6, 2001 between Bayer Corporation ("Bayer") and the forty-five states specified on attachment hereto, Bayer submits the following:

1. Report of Average Sale Price for the first quarter of 2002 (Section III(D)(2)(b)). This information is also included on the enclosed diskette.
2. A detailed description of the methodology used to calculate the Average Sale Price (Section III (D)(2)(c)) certified by a high managerial agent of Bayer Corporation Pharmaceutical Division.

We wish to stress that this report of Average Sale Price arises from the above-referenced settlement. It is not intended to set reimbursement rates and is not a substitute for the reporting of Average Wholesale Price (AWP), Average Manufacturers Price (AMP) and/or Best Price (BP).

Please contact Mr. Kevin Kuehm (203-812-2647) or myself if you have any questions.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Paul R. Berry", written over a horizontal line.

Paul R. Berry

ep

Enclosures

cc: Attached List

MT 076298

asp_letter_1stqtr2002.doc

Bayer Corporation
400 Morgan Lane
West Haven, CT 06516-4175
Phone: 203 812-6081
Fax: 203 812-2795
paul.berry.b@bayer.com

Pharmacy Director
Alabama Medicaid Agency
501 Dexter Avenue
Montgomery, Alabama 36104

Roberto Martinez, Chief
Medical Policy Division
714 P Street
Room 1216
Sacramento, California 95814

Pharmacy Director
EDS
248 Chapman Rd.
Suite 200, Bristol Building
Newark, Delaware 19702

Pharmacy Director
Department of Human Services
P.O. Box 339
Honolulu, Hawaii 96809-0339

Pharmacy Director
Department of Human Services
Hoover State Office Building
Division of Medical Services
Des Moines, Iowa 50319

Pharmacy Director
Bureau of Health Services Financing
6080 Esplanade Avenue
Baton Rouge, Louisiana 70806

Pharmacy Director
Division of Medical Assistance
600 Washington Street
5th Floor
Boston, Massachusetts 02111

Pharmacy Director
Medicaid Division
239 North Lamar
Suite 801
Jackson, Mississippi 39211

Pharmacy Director
Nevada Medicaid Office
Capital Complex
2527 N. Carson Street
Carson City, Nevada 89710

Pharmacy Director
Med. Assistance Div. Drug Program
P.O. Box 2348
Sante Fe, New Mexico 87504-2348

Pharmacy Director
Division of Medical Assistance
4501 Business Park Blvd.
Suite 24
Anchorage, Alaska 99503

Pharmacy Director
Colorado Healthcare Policy & Financing
1575 Sherman Street
5th Floor
Denver, Colorado 80203

Pharmacy Director
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 38
Mail Stop 38
Tallahassee, Florida 32308

Ms. Jackie Garner
Director
Illinois Department of Public Aid
201 South Grand Avenue, 3rd Floor
Springfield, IL 62763

Pharmacy Director
Division of Medical Services
915 Harrison Street
Docking Building, Rm 628
Topeka, Kansas 66612-1570

Pharmacy Director
MAINE Bureau of Medical Services
11 State House Station
Augusta, Maine 04333

Pharmacy Director
Medical Service Administration
400 South Pine Street
Lansing, Michigan 48909

Pharmacy Director
Division of Medical Services
3411 B Knipp
Jefferson City, Missouri 65109

Pharmacy Director
Medicaid Administration Bureau
6 Hazen Drive
Concord, New Hampshire 03301

Carl Cioppa
Bureau of Program Guidance
99 Washington Avenue, Suite 606
Albany, New York 12210-2806

Pharmacy Director
DOHS, Div. Of Med. Services
P.O. Box 1437
Slot 4105
Little Rock, Arkansas 72203-4105

James Wietrak
Director of Quality Assurance
Connecticut Department of Social Serv.
25 Sigourney Street
Hartford, CT 06106

Pharmacy Director
Department of Medical Assistance
2 Peachtree Street
37th Floor
Atlanta, Georgia 30338

Pharmacy Director
Indiana State Government Center
402 W. Washington St.
Room W-382
Indianapolis, Indiana 46204

Pharmacy Director
Department of Medicaid Services
275 East Main Street
Frankfort, Kentucky 40621

Deputy Director
Program Operation
SS-18
201 W. Preston Street
Baltimore, Maryland 21201

Pharmacy Director
Department of Human Services
444 Lafayette Rd. N.
St. Paul, Minnesota 55155

Pharmacy Director
Medicaid Services Bureau
Dept. of Public Health
P.O. Box 202951, 1400 Broadway
Helena, Montana 59620

Pharmacy Director
Div. Medical & Assistance Health Serv.
P.O. Box 712
Trenton, New Jersey 08625-0712

Pharmacy Director
DOHR, Div. Of Medical Assistance
1985 Umstead Drive
Raleigh, North Carolina 27603

MT 076299

Pharmacy Director
Pharmacy Services Unit
30 East Broad Street
31st Floor
Columbus, Ohio 43266-0423

Pharmacy Director
Oklahoma Health Care Authority
4545 N. Lincoln Boulevard
Suite 124
Oklahoma City, Oklahoma 73105

Pharmacy Director
OMAR-PPU
HRB
500 Summer St. NE
Salem, Oregon 97310

Pharmacy Director
Pharmacy Services Section
P.O. Box 8046
Harrisburg, Pennsylvania 17105

Pharmacy Director
Department of Human Services
600 New London Avenue
Cranston, Rhode Island 02920

Pharmacy Director
Department of Health & Human
Services
1801 Main Street, Suite 1226
Columbia, South Carolina 29201

Pharmacy Director
Department of Social Services
700 Governor's Drive
Pierre, South Dakota 57501-2291

Pharmacy Director
Texas Department of Health
Bureau of Vendor Drugs
Mail Code Y915, 1100 W. 49th St.
Austin, Texas 78756-3174

Craig Jackson
Director of Pharmacy Board
160 East 300 South, 4th Floor
P.O. Box 146741
Salt Lake City, Utah 84114-6741

Pharmacy Director
Vermont Medicaid Division
103 South Main Street
Waterbury, Vermont 05676

Pharmacy Director
Department of Medical Assistance
600 East Broad Street
Suite 1300
Richmond, Virginia 23219

Pharmacy Director
Medical Assistance Administration
805 Plum Street
Olympia, Washington 98504-5506

Pharmacy Director
DOH & Hr, Bureau for Medical Services
350 Capitol Street
Room 251
Charleston, West Virginia 25301

Pharmacy Director
Division of Health Care Financing
P.O. Box 309
Madison, Wisconsin 53701-0309

Pharmacy Director
Division of Health Care Financing
2300 Capital Avenue
154 Hathaway Building
Cheyenne, Wyoming 82002

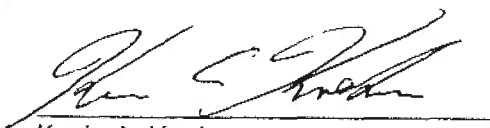
MT 076300

CERTIFICATION

The undersigned, a high managerial agent of Bayer Corporation Pharmaceutical Division, hereby certifies that the attached Average Sale Price information has been communicated to First DataBank and to the State Medicaid programs listed on the attached and that it has been calculated in accordance with the methodology described herein. I further acknowledge that the Average Sale Prices so reported will be filed with the State Medicaid programs identified below.

State Medicaid Programs:

Per attached list.



Kevin A. Kuehm
Vice President
Strategic Planning
Division Controlling
Bayer Corporation
Pharmaceutical Division

4-26-2002
Date

NDC	Product Description	Average Sales Price	Report Quarter
00026252106	BILTRICIDE 600MG 6 TABLETS PER BOTTLE	\$ 9.709445	200201
00026261301	DOMEPASTE BANDAGE 3 INCH	\$ 12.276445	200201
00026261401	DOMEPASTE BANDAGE 4 INCH	\$ 13.450321	200201
00026285548	NIMOTOP 30MG 100'S UNIT DOSE CAPSULES	\$ 5.626818	200201
00026285570	NIMOTOP 30MG 30'S UNIT DOSE CAPSULES	\$ 5.905391	200201
00026286148	PRECOSE 50MG 100 UD TABLET (UNIT DOSE)	\$ 0.476984	200201
00026286151	PRECOSE 50MG 100 TABLETS PER BOTTLE	\$ 0.456809	200201
00026286251	PRECOSE 100MG 100 TABLETS PER BOTTLE	\$ 0.589696	200201
00026286351	PRECOSE 25MG 100 TABLETS PER BOTTLE	\$ 0.456132	200201
00026288351	BAYCOL 0.2MG 100 TABLETS PER BOTTLE	\$ 1.018074	200201
00026288386	BAYCOL 0.2MG 90 TAB PER BOTTLE	\$ 1.350216	200201
00026288451	BAYCOL 0.3MG 100 TABLETS PER BOTTLE	\$ 0.976096	200201
00026288486	BAYCOL 0.3MG 90 TAB PER BOTTLE	\$ 1.792412	200201
00026288551	BAYCOL 0.4MG 100 TABLETS PER BOTTLE	\$ 1.664803	200201
00026288569	BAYCOL 0.4MG 30 TAB PER BOTTLE	\$ 1.387352	200201
00026288586	BAYCOL 0.4MG 90 TAB PER BOTTLE	\$ 1.007862	200201
00026288669	BAYCOL 0.8MG 30 TAB PER BOTTLE	\$ 2.037414	200201
00026288686	BAYCOL 0.8MG 90 TAB PER BOTTLE	\$ 1.893914	200201
00026309159	MYCELEX CREAM 30GM BAYER MEXICO	\$ 0.547835	200201
00026309161	MYCELEX CREAM 15GM 1% US	\$ 0.608186	200201
00026815120	DTIC 200MG VIAL 12 US LABELED	\$ 0.102942	200201
00026819636	TRASYLOL 100ML 6'S LABELED VIALS	\$ 1.800111	200201
00026819763	TRASYLOL 200ML 6'S LABELED VIALS	\$ 1.787794	200201
00026851106	CIPRO 100MG UD 6'S CYSTITIS PACK	\$ 2.235517	200201
00026851248	CIPRO 250MG 100'S UNIT DOSE	\$ 2.863447	200201
00026851251	CIPRO 250MG 100 TABLETS PER BOTTLE	\$ 3.059959	200201
00026851348	CIPRO 500MG 100'S UNIT DOSE	\$ 2.824975	200201
00026851351	CIPRO 500MG 100 TABLETS PER BOTTLE	\$ 3.610137	200201
00026851448	CIPRO 750MG 100'S UNIT DOSE	\$ 3.406659	200201
00026851450	CIPRO 750MG 50 TAB PER BOTTLE	\$ 3.576904	200201
00026852736	CIPRO IV 200MG 24'S 100ML BAGS BAXTER	\$ 0.023305	200201
00026852763	CIPRO IV 400MG 24'S 200ML BAGS BAXTER	\$ 0.076882	200201
00026855136	CIPRO ORAL SUSP 5%	\$ 0.618882	200201
00026855236	CIPRO IV 200MG 24'S 100ML BAGS ABBOTT	\$ 0.073006	200201
00026855336	CIPRO ORAL SUSP 10%	\$ 0.713024	200201
00026855463	CIPRO IV 400MG 24'S 200ML BAGS ABBOTT	\$ 0.081664	200201
00026856220	CIPRO IV 200MG 10'S 20ML VIALS	\$ 0.357484	200201
00026856464	CIPRO IV 400MG 10'S 40ML VIALS	\$ 0.369478	200201
00026856665	CIPRO IV 120ML 6'S PHARMACY BULK VIALS	\$ 0.334069	200201
00026858141	AVELOX 400MG 5 TABL PER CARTON ABC PACK	\$ 6.787088	200201
00026858169	AVELOX 400MG 30 TAB PER BOTTLE	\$ 6.779953	200201
00026858231	AVELOX IV 400MG 250ML BAG 12'S US	\$ 0.111766	200201
00026884148	ADALAT CC 30MG 100 UNIT DOSE TABLETS	\$ 0.800367	200201
00026884151	ADALAT CC 30MG 100 TABLET PER BOTTLE	\$ 0.901943	200201
00026884154	ADALAT CC 30MG 1000 TABLETS PER BOTTLE	\$ 1.015995	200201
00026884172	ADALAT CC 30MG 5000 TABLETS PER TIN	\$ 0.927148	200201
00026885148	ADALAT CC 60MG 100 UNIT DOSE TABLETS	\$ 1.638846	200201
00026885151	ADALAT CC 60MG 100 TABLETS PER BOTTLE	\$ 1.600895	200201
00026885154	ADALAT CC 60MG 1000 TABLETS PER BOTTLE	\$ 1.608305	200201
00026885172	ADALAT CC 60MG 5000 TABLETS PER TIN	\$ 1.651269	200201
00026886148	ADALAT CC 90MG 100 UNIT DOSE TABLETS	\$ 1.893447	200201
00026886151	ADALAT CC 90MG 100 TABLETS PER BOTTLE	\$ 1.817999	200201
00026971101	VIADUR KIT PACKAGE WITH IMPLANT	\$ 2,228.998196	200201

MT 076301

NDC	Product Description	Average Sale Price	Report Quarter
00026037230	KOGENATE FS 500 IU USA	\$ 1.107400	200201
00026037250	KOGENATE FS 1000 IU USA	\$ 1.076210	200201
00026060130	ALPHA-1, 20 ML FILL LYOPHILIZED	\$ 0.205000	200201
00026060135	PROLASTIN 1000 MG USA	\$ 0.216393	200201
00026060320	THROMBATE III 500 IU USA	\$ 0.900218	200201
00026061320	PLASMANATE 50ML US ROW	\$ 0.233021	200201
00026061325	PLASMANATE 250ML US ROW	\$ 0.113254	200201
00026061802	BAYRAB 2ML	\$ 43.512982	200201
00026061810	BAYRAB 10ML	\$ 41.376121	200201
00026063102	BAYRHO-D SYR W/NEEDLE GUARD	\$ 71.014285	200201
00026063105	BAYRHO-D MINI DOSE SYR	\$ 76.414127	200201
00026063106	BAYRHO-D MINI DOSE SYR W/NEEDLE GUARD	\$ 163.881580	200201
00026063401	BAYTET SYR	\$ 357.720877	200201
00026063402	BAYTET SYR W/NEEDLE GUARD	\$ 67.871455	200201
00026063504	BAYGAM 2 ML 532 PACK	\$ 9.958489	200201
00026063512	BAYGAM 10ML 532 PACK	\$ 8.197801	200201
00026063600	BAYHEP 0.5ML SYR	\$ 1,897.649356	200201
00026063601	BAYHEP 1ML VIAL	\$ 319.069026	200201
00026063602	BAYHEP SYR W/NEEDLE GUARD	\$ 96.856747	200201
00026063603	BAYHEP 0.5ML SYR W/NEEDLE GUARD	\$ 107.611824	200201
00026063605	BAYHEP 5ML VIAL	\$ 91.252569	200201
00026064812	IGIV 10% 10ML US ROW	\$ 5.874136	200201
00026064815	IGIV 10% 25ML US ROW	\$ 5.690572	200201
00026064820	IGIV 10% 50ML US ROW	\$ 5.713188	200201
00026064824	IGIV 10% 200ML US ROW	\$ 5.718884	200201
00026064871	IGIV 10% 100ML US ROW	\$ 5.741703	200201
00026066520	KOATE DVI 250U US ROW	\$ 0.508808	200201
00026066530	KOATE DVI 500U US ROW	\$ 0.675073	200201
00026066550	KOATE DVI 1000U US ROW	\$ 0.539990	200201
00026068416	ALBUMIN 25% 20ML US ROW	\$ 0.591798	200201
00026068420	ALBUMIN 25% 50ML US ROW	\$ 0.605322	200201
00026068471	ALBUMIN 25% 100ML US ROW	\$ 0.574684	200201
00026068520	ALBUMIN 5% 50ML US ROW	\$ 0.234409	200201
00026068525	ALBUMIN 5% 250ML US ROW	\$ 0.118801	200201

MT 076302

Bayer HealthCare Pharmaceuticals



April 28, 2003

RECEIVED
MAY 15 2003

HEALTH POLICY & SERVICES

Paul R. Berry
Vice President,
General Counsel and Secretary
Law & Patents

Nicole C. Hall, Esq.
Senior Counsel
Office of Counsel to the Inspector General
Specification Procedure
U.S. Department of Health & Human Services
Cohen Building, Room 5527
330 Independence Ave., S.W.
Washington, D.C. 20201

Mr. Joseph Palermo
First DataBank Inc.
111 Bayhill Drive
San Bruno, CA 94066

Re: Report of Average Sale Price – 1st Quarter 2003

In conformance with: (a) the terms of the Corporate Integrity Agreement (the "CIA") entered into January 23, 2001 between Bayer Corporation¹ ("Bayer") and the Office of the Inspector General of the United States Department of Health and Human Services ("OIG"); and (b) the State Settlement Agreement entered into August 6, 2001 between Bayer Corporation ("Bayer") and the forty-five states specified on attachment hereto, Bayer submits the following:

Bayer Pharmaceuticals
Corporation
400 Morgan Lane
West Haven, CT 06516

Phone: 203 812-6081
Fax: 203 812-2795
paul.berry.b@bayer.com

1. Report of Average Sale Price for the first quarter 2003 (Section III(D)(2)(b)). This information is also included on the enclosed diskette.
2. A detailed description of the methodology used to calculate the Average Sale Price (Section III (D)(2)(c)) certified by a high managerial agent of Bayer Pharmaceuticals Corporation and the Biological Products Division of Bayer HealthCare, LLC.

We wish to stress that this report of Average Sale Price arises from the above-referenced settlement. It is not intended to set reimbursement rates and is not a substitute for the reporting of Average Wholesale Price (AWP), Average Manufacturers Price (AMP) and/or Best Price (BP).

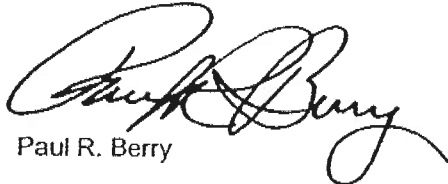
MT 076630

¹ "On January 1, 2003, Bayer Corporation was reorganized. The business, assets and operations of the unincorporated division of Bayer Corporation known as Bayer Pharmaceuticals became a stand alone business operated through Bayer Pharmaceuticals Corporation, a Delaware corporation, a newly formed subsidiary of Bayer Corporation. The business, assets and operations of the unincorporated division of Bayer Corporation known as Bayer Biological Products became a stand alone business operated through Bayer HealthCare LLC, a Delaware limited liability company, a newly formed subsidiary of Bayer Corporation."

Page 2
April 28, 2003

Please contact Mr. Jeffrey Greenman (203-812-2037) or me (203-812-6081)
if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul R. Berry". The signature is fluid and cursive, with the first name "Paul" and last name "Berry" clearly distinguishable.

Paul R. Berry

ep
Enclosures

cc: Attached List

MT 076631

MT 076632

Pharmacy Director
Alabama Medicaid Agency
501 Dexter Avenue
Montgomery, Alabama 36104

Pharmacy Director
Division of Medical Assistance
4501 Business Park Blvd.
Suite 24
Anchorage, Alaska 99503

Pharmacy Director
DOHS, Div. Of Med. Services
P.O. Box 1437
Slot 4105
Little Rock, Arkansas 72203-4105

Roberto Martinez, Chief
Medical Policy Division
714 P Street
Room 1216
Sacramento, California 95814

Pharmacy Director
Colorado Healthcare Policy & Financing
1575 Sherman Street
5th Floor
Denver, Colorado 80203

James Wietrak
Director of Quality Assurance
Connecticut Department of Social Serv
25 Sigourney Street
Hartford, CT 06106

Pharmacy Director
EDS
248 Chapman Rd.
Suite 200, Bristol Building
Newark, Delaware 19702

Pharmacy Director
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop 38
Mail Stop 38
Tallahassee, Florida 32308

Pharmacy Director
Department of Medical Assistance
2 Peachtree Street
37th Floor
Atlanta, Georgia 30338

Pharmacy Director
Department of Human Services
P.O. Box 339
Honolulu, Hawaii 96809-0339

Ms. Jackie Garner
Director
Illinois Department of Public Aid
201 South Grand Avenue, 3rd Floor
Springfield, IL 62763

Pharmacy Director
Indiana State Government Center
402 W. Washington St.
Room W-382
Indianapolis, Indiana 46204

Pharmacy Director
Department of Human Services
Hoover State Office Building
Division of Medical Services
Des Moines, Iowa 50319

Pharmacy Director
Division of Medical Services
915 Harrison Street
Docking Building, Rm 628
Topeka, Kansas 66612-1570

Pharmacy Director
Department of Medicaid Services
275 East Main Street
Frankfort, Kentucky 40621

Pharmacy Director
Bureau of Health Services Financing
6080 Esplanade Avenue
Baton Rouge, Louisiana 70806

Pharmacy Director
MAINE Bureau of Medical Services
11 State House Station
Augusta, Maine 04333

Deputy Director
Program Operation
SS-18
201 W. Preston Street
Baltimore, Maryland 21201

Pharmacy Director
Division of Medical Assistance
600 Washington Street
5th Floor
Boston, Massachusetts 02111

Pharmacy Director
Medical Service Administration
400 South Pine Street
Lansing, Michigan 48909

Pharmacy Director
Department of Human Services
444 Lafayette Rd. N.
St. Paul, Minnesota 55155

Pharmacy Director
Medicaid Division
239 North Lamar
Suite 801
Jackson, Mississippi 39211

Pharmacy Director
Division of Medical Services
3411 B Knipp
Jefferson City, Missouri 65109

Pharmacy Director
Medicaid Services Bureau
Dept. of Public Health
P.O. Box 202951, 1400 Broadway
Helena, Montana 59620

Pharmacy Director
Nevada Medicaid Office
Capital Complex
2527 N. Carson Street
Carson City, Nevada 89710

Pharmacy Director
Medicaid Administration Bureau
6 Hazen Drive
Concord, New Hampshire 03301

Pharmacy Director
Div. Medical & Assistance Health Serv.
P.O. Box 712
Trenton, New Jersey 08625-0712

Pharmacy Director
Med. Assistance Div. Drug Program
P.O. Box 2348
Sante Fe, New Mexico 87504-2348

Carl Cioppa
Bureau of Program Guidance
99 Washington Avenue, Suite 606
Albany, New York 12210-2806

Pharmacy Director
DOHR, Div. Of Medical Assistance
1985 Umstead Drive
Raleigh, North Carolina 27603

Pharmacy Director
State Medicaid Office
30 East Broad Street
Columbus, Ohio 43266-0423

Pharmacy Director
Oklahoma Health Care Authority
4545 N. Lincoln Boulevard
Suite 124
Oklahoma City, Oklahoma 73105

Pharmacy Director
OMAR-PPU
HRB
500 Summer St. NE
Salem, Oregon 97310

Pharmacy Director
Pharmacy Services Section
P.O. Box 8046
Harrisburg, Pennsylvania 17105

Pharmacy Director
Department of Human Services
600 New London Avenue
Cranston, Rhode Island 02920

Pharmacy Director
Department of Health & Human
Services
1801 Main Street, Suite 1226
Columbia, South Carolina 29201

Pharmacy Director
Department of Social Services
700 Governor's Drive
Pierre, South Dakota 57501-2291

Pharmacy Director
Texas Department of Health
Bureau of Vendor Drugs
Mail Code Y915, 1100 W. 49th St.
Austin, Texas 78756-3174

Craig Jackson
Director of Pharmacy Board
160 East 300 South, 4th Floor
P.O. Box 146741
Salt Lake City, Utah 84114-6741

Pharmacy Director
Vermont Medicaid Division
103 South Main Street
Waterbury, Vermont 05676

Pharmacy Director
Department of Medical Assistance
600 East Broad Street
Suite 1300
Richmond, Virginia 23219

Pharmacy Director
Medical Assistance Administration
805 Plum Street
Olympia, Washington 98504-5506

Pharmacy Director
DOH & Hr, Bureau for Medical Services
350 Capitol Street
Room 251
Charleston, West Virginia 25301

Pharmacy Director
Division of Health Care Financing
P.O. Box 309
Madison, Wisconsin 53701-0309

Pharmacy Director
Division of Health Care Financing
2300 Capital Avenue
154 Hathaway Building
Cheyenne, Wyoming 82002

MT 076633

Bayer**Average Sale Price Q1 2003**

Product	Pharma	Average Sales Price
00026971101	VIADUR KIT PACKAGE WITH IMPLANT	\$ 2,198.504852
00026261401	DOMEPASTE BANDAGE 4 INCH	\$ 13.289893
00026261301	DOMEPASTE BANDAGE 3 INCH	\$ 12.127553
00026252106	BILTRICIDE 600MG 6 TABLETS PER BOTTLE	\$ 9.695986
00026858141	AVELOX 400MG 5 TABL PER CARTON ABC PACK	\$ 7.023891
00026858169	AVELOX 400MG 30 TAB PER BOTTLE	\$ 6.999679
00026888951	CIPRO XR 500MG 100 TABLETS PER BOTTLE	\$ 6.326771
00026888950	CIPRO XR 500MG 50 TABLETS PER BOTTLE	\$ 6.194330
00026285570	NIMOTOP 30MG 30'S UNIT DOSE CAPSULES	\$ 6.111606
00026858188	AVELOX 400MG 50'S UNIT DOSE	\$ 5.895152
00026285548	NIMOTOP 30MG 100'S UNIT DOSE CAPSULES	\$ 5.796171
00026851450	CIPRO 750MG 50 TAB PER BOTTLE	\$ 4.058276
00026851351	CIPRO 500MG 100 TABLETS PER BOTTLE	\$ 3.985248
00026851448	CIPRO 750MG 100'S UNIT DOSE	\$ 3.549265
00026851251	CIPRO 250MG 100 TABLETS PER BOTTLE	\$ 3.397663
00026851348	CIPRO 500MG 100'S UNIT DOSE	\$ 3.303943
00026851248	CIPRO 250MG 100'S UNIT DOSE	\$ 3.246595
00026851106	CIPRO 100MG UD 6'S CYSTITIS PACK	\$ 2.542645
00026288686	BAYCOL 0.8MG 90 TAB PER BOTTLE	\$ 2.016000
00026288669	BAYCOL 0.8MG 30 TAB PER BOTTLE	\$ 2.016000
00026885172	ADALAT CC 60MG 5000 TABLETS PER TIN	\$ 1.925490
00026885154	ADALAT CC 60MG 1000 TABLETS PER BOTTLE	\$ 1.925163
00026819636	TRASYLOL 100ML 6'S LABELED VIALS	\$ 1.871166
00026819763	TRASYLOL 200ML 6'S LABELED VIALS	\$ 1.857612
00026885148	ADALAT CC 60MG 100 UNIT DOSE TABLETS	\$ 1.855294
00026885151	ADALAT CC 60MG 100 TABLETS PER BOTTLE	\$ 1.851273
00026886148	ADALAT CC 90MG 100 UNIT DOSE TABLETS	\$ 1.797747
00026288569	BAYCOL 0.4MG 30 TAB PER BOTTLE	\$ 1.352333
00026288351	BAYCOL 0.2MG 100 TABLETS PER BOTTLE	\$ 1.352100
00026288451	BAYCOL 0.3MG 100 TABLETS PER BOTTLE	\$ 1.352100
00026288551	BAYCOL 0.4MG 100 TABLETS PER BOTTLE	\$ 1.352100
00026288386	BAYCOL 0.2MG 90 TAB PER BOTTLE	\$ 1.352000
00026288486	BAYCOL 0.3MG 90 TAB PER BOTTLE	\$ 1.352000
00026288586	BAYCOL 0.4MG 90 TAB PER BOTTLE	\$ 1.352000
00026884154	ADALAT CC 30MG 1000 TABLETS PER BOTTLE	\$ 1.082601
00026884172	ADALAT CC 30MG 5000 TABLETS PER TIN	\$ 1.080929
00026886151	ADALAT CC 90MG 100 TABLETS PER BOTTLE	\$ 1.076644
00026884151	ADALAT CC 30MG 100 TABLET PER BOTTLE	\$ 1.015832
00026884148	ADALAT CC 30MG 100 UNIT DOSE TABLETS	\$ 0.970725
00026855336	CIPRO ORAL SUSP 10%	\$ 0.784823
00026855136	CIPRO ORAL SUSP 5%	\$ 0.702257
00026309161	MYCELEX CREAM 15GM 1% US	\$ 0.606980
00026286251	PRECOSE 100MG 100 TABLETS PER BOTTLE	\$ 0.461061
00026856220	CIPRO IV 200MG 10'S 20ML VIALS	\$ 0.431756
00026856665	CIPRO IV 120ML 6'S PHARMACY BULK VIALS	\$ 0.430265
00026856464	CIPRO IV 400MG 10'S 40ML VIALS	\$ 0.400796
00026286148	PRECOSE 50MG 100 UD TABLET (UNIT DOSE)	\$ 0.392554
00026286151	PRECOSE 50MG 100 TABLETS PER BOTTLE	\$ 0.376630
00026286351	PRECOSE 25MG 100 TABLETS PER BOTTLE	\$ 0.364370
00026815120	DTIC 200MG VIAL 12 US LABELED	\$ 0.103896

MT 076634

00026852736	CIPRO IV 200MG 24'S 100ML BAGS BAXTER	\$ 0.088372
00026855463	CIPRO IV 400MG 24'S 200ML BAGS ABBOTT	\$ 0.087162
00026855236	CIPRO IV 200MG 24'S 100ML BAGS ABBOTT	\$ 0.086192
00026858231	AVELOX IV 400MG 250ML BAG 12'S US	\$ 0.085749
00026852763	CIPRO IV 400MG 24'S 200ML BAGS BAXTER	\$ 0.084978

MT 076635